GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:46
ANSWERED ON:17.10.2008
CREDIT TO FARMERS
Subbarayan Shri K.

Will the Minister of FINANCE be pleased to state:

(a) the total amount of credit given to agriculture sector by banks during the last three years and the current year;

(b) the percentage of credit given to small and marginal farmers out of the total agriculture credit;

(c) whether the credit flow by banks has increased in favour of big farmers;

(d) if so, the details thereof and the reasons therefor; and

(e) the steps taken by the Government to enhance the credit flow to small and marginal farmers through banks?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : The total amount of credit given to agriculture sector by banks during the last three years and the current year is detailed below :-

(Rs. Crore)

Agency	2005-06	2006-07	2007-08#	2008-09$
Commercial Banks (CB)	1,25,477 (40.86%)	1,66,485 (44.68%)	1,75,072 (43.00%)	53,297 (43.70%)
Co-operative Banks(CoB)	39,786 (56.42%)	42,480 (42.46%)	43,684 (51.75%)	17,215 (37.15%)
Regional Rural Banks (RRBs)	15,223 (52.04%)	20,435 (57.29%)	24,814 (60.53%)	9,197 (50.79%)
Total	1,80,486	2,29,400	2,43,570	79,709

Figures in bracket shows the percentage of credit given to small and marginal farmers.

Provisional figures upto March 2008
$ Provisional figures upto August 2008
The percentage of Agriculture Credit to small and marginal farmers by CBs and RRBs has shown an increase in trend over the past three years, while there is a slight decline in the share of CoB, presumably because of the weaknesses of the Short Term Cooperative Credit Structure.

(e) : The Government of India (GoI) has taken the following steps to ensure increased accessibility of credit for small and marginal farmers through banks: -

The GoI is providing Short Term Crop Loans upto Rs.3 lakh to farmers at interest rate of 7% per annum at the ground level.
The GoI is implementing a revival package for Short Term Cooperative Credit Structures amounting to Rs.13,596 crore.
Banks have simplified the procedure for documentation for agricultural loans.
Loans upto Rs.50,000/- have been made collateral and margin free and the requirement of 'No Dues Certificate' has been dispensed with.
Banks have been advised to provide all eligible farmers with Kisan Credit Cards.
Banks have been instructed to achieve financial outreach through provision of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, Non Governmental Organisations (NGOs), Post Offices as Business Facilitator/Business Correspondent Model, etc.